

**INQUIRY INTO MODERN SLAVERY RISKS FACED BY
TEMPORARY MIGRANT WORKERS IN RURAL AND
REGIONAL NEW SOUTH WALES**

Organisation: Woolworths Group Limited

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Dr Joe McGirr MP
Chair
Modern Slavery Committee
Parliament of New South Wales

By email: modern.slavery@parliament.nsw.gov.au

Dear Dr McGirr,

Re: Inquiry into modern slavery risks faced by temporary migrant workers in rural and regional New South Wales

Woolworths Group (Woolworths) welcomes the opportunity to provide feedback in response to the New South Wales Government's *Inquiry into Modern Slavery risks faced by temporary workers in rural and regional NSW*.

Founded in 1924, we have a long history of serving Australian communities for 100 years. We are Australia's largest private employer, with 180,000 hard working Australian team members who serve more than 20 million customers a week across more than 1,250 Woolworths Supermarkets, Metro Food Stores and BIG W Department Stores. We operate one of the largest supply chain and logistics networks in Australia with 32 distribution centres across the country.

In NSW, we are proud to employ almost 70,000 people (more than 13,000 of these are in regional areas), and we serve customers in 287 Supermarkets, 54 Metro Food Stores and 62 BIG W stores.

As Australia's Fresh Food People, we source 96% of our fresh fruit and vegetables and 100% of our fresh meat, milk, and eggs from Australia. We are acutely aware of the seasonal volatility of this sector and its reliance on temporary and migrant workers. As the largest retailer in Australia and New Zealand, we are committed to working with our suppliers to uphold respect for human rights and ensure fair treatment for all workers. This includes proactively identifying, remediating and mitigating modern slavery risks throughout our value chain.

Our supply chain

Like most modern retailers and brand manufacturers, we operate within a deeply interconnected global supply chain. We source food, drinks, apparel and general merchandise from a range of locations within and outside of Australia.

To help deliver our food and everyday needs offering to our customers, we work with around 7,600 trade and 6,000 non-trade suppliers (providing services or goods not for resale).

We source products from third party vendors including well known brands, and work with suppliers to produce and package our 'own brand' products, which include those with a Woolworths logo. About ~83% of our 'own' brand food portfolio is manufactured in Australia and New Zealand. Non-food own

brand products such as home essentials lines are sourced mainly from China (~73%) and Australia (~9%).

We know that modern slavery risks are often found beyond tier one suppliers at different stages of production, including raw material extraction. We have prioritised risk management in extreme risk categories beyond tier one suppliers, and this is discussed further in our [2024 Modern Slavery Statement](#).

RECOMMENDATION

We support the work for consideration of a National Labour Hire Licensing Scheme. As part of our ongoing commitment to responsible supply chains, and in partnership with the Retail Supply Chain Alliance, the McKell Institute was commissioned to conduct a thorough examination of the current labour hire landscape and to propose recommendations for a robust National Labour Hire Scheme (NLHS).

The report titled *Licensing Labour Hire: Promoting a National Labour Hire Licensing Scheme which protects Australian Horticulture Workers and Supports Businesses*¹ highlights significant challenges within the existing labour hire system, including fragmentation, lack of transparency, and vulnerabilities that can lead to worker exploitation, particularly among migrant workers. These issues underscore the need for a harmonised national regulatory framework to ensure consistency and protect workers' rights across all states and territories.

No global retailer is immune to risks in their operations and supply chains. To that end, we support Government initiatives to provide further protections for migrant workers, particularly approaches that consider safeguards for workers in their design and implementation.

Recommendation:

For the NLHS to deliver meaningful success for workers and employers the following must be addressed:

- **Ensure sustainable funding:** Secure dedicated, long-term funding for proactive enforcement of the National Labor Hire Regulation (NLHR) in horticulture, given the unique enforcement challenges in rural and remote settings.
- **Universal adoption:** Secure agreement from all states and territories, especially New South Wales, to participate in the NLHS to avoid regulatory loopholes.
- **Focus on eliminating exploitation:** Include an "Objects Clause" in the NLHR Model Law explicitly stating that the scheme's primary purpose is to eradicate exploitation and protect labor-hire workers' rights.
- **Dedicated oversight:** Establish a dedicated team or office within the NLHR to oversee implementation, compliance, and enforcement.

¹ McKell (2025), *Licensing Labour Hire: Promoting a National Labour Hire Licensing Scheme which protects Australian Horticulture Workers and Supports Businesses*, via https://mckellinstitute.org.au/wp-content/uploads/2025/02/McKell_Licensing-Labour-Hire-2025.pdf

DETAILED FEEDBACK

Woolworths commitment and approach - our Human Rights Program

The Australian community, quite rightly, expects the products or services they buy from retailers to be sourced responsibly. We work diligently with our suppliers to uphold workplace standards and to drive better outcomes for workers in our extended supply chain.

We are committed to identifying and addressing worker exploitation and modern slavery risks in our supply chains. Our operations and supply chains are complex, and like any retailer, exposed to dynamic human rights risks.

We manage modern slavery risk in our operations and supply chain through our Human Rights Program. It is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our approach is governed by Woolworths Group's Risk Management Framework and the Board approved Risk Appetite Statement, which identifies human rights as a level one risk, meaning we work 'towards zero'.

Our current approach to human rights has been in place for five years and we have made solid progress in that time. The first phase (2017–2020) focused on the development, rollout and embedding of the Responsible Sourcing (RS) Program across our own brand and fresh product categories. In this phase (2021–2025) we are focused on human rights due diligence across our value chain, including non-trade, operations and ecosystem partners, while maintaining a focus on higher-risk commodities and countries in our trade supply chain.

Suppliers of vendor branded goods and services are required to have established arrangements and processes, which are consistent with our commitment to responsible sourcing and upholding human rights outlined in the Responsible Sourcing Policy.

There is no one solution to identify and address modern slavery risks throughout the value chain, and we therefore monitor our risk environment through a combination of complimentary and compensating controls, including:

- Supplier screening
- Third party risk assessments
- Audit programs
- Grievance management
- Team member insights
- Regulatory trends
- Industry commentary
- Media, civil society reports and
- Engagement with human rights defenders and non-government organisations.

These diverse sources help us to identify and prioritise our response to the most salient human rights risks, including emerging risks.

Maintaining supply chains that meet our own and our customers' expectations for fresh and

responsibly sourced products is a priority for our teams. Our Human Rights and Responsible Sourcing program is operationalised through a number of policies, standards and addendums, with further support offered in guidance material. Our policies and procedures are regularly reviewed and, as our program matures, have greater applicability across our businesses.

Despite typically being rated 'low risk' in global indices, modern slavery risks such as deceptive recruitment, debt bondage and forced labour are still present in industries in Australia and New Zealand that rely on third-party labour hire providers (LHPs) and migrant workers often working on a casual or seasonal basis. The specialised risk segment of our RS Program was designed to capture suppliers in these categories.

This targeted approach has resulted in an audit baseline for high risk category suppliers. We have seen that through our audits and regulator commentary that compliance in the sector is improving. Where we identify issues in our supply chain, we are committed to working with our suppliers to implement improvement plans and help them achieve compliance. Our priority is that issues are remediated, a root cause analysis conducted, and systems put in place to avoid recurrence. However, we may terminate supply if a supplier is unable or unwilling to remedy their non-compliance within a specified time frame.

National Labour Hire Scheme

In recent years we have seen the pressures of securing appropriate levels of on-farm labour difficult for the agricultural sector to secure which has resulted in demand increasing for foreign workforce solutions. LHPs play a critical role in the seasonal workforce need being the actor that farmers can utilise to secure their varying workforce needs.

Through our program, we seek to work towards:

- **Enhanced Data Collection:** We are improving our systems to gather comprehensive information about LHPs used by our suppliers, including those overseas who assist with recruitment. This enhanced visibility allows us to better monitor and address potential risks. In F24 we expanded the scope of our LHP verification process to direct suppliers and their growers who are members of Sedex or Fair Farms and are visible to us via the scheme platforms. This was achieved by utilising the Sedex and Fair Farms platforms which, as a result of our collaborative efforts in F23, now collect data related to LHPs.
- **Approved third party accreditation:** Working with industry trusted approved social compliance schemes such as FairFarms and Sedex which allows businesses to report and track their LHP information leading to increased visibility and identification of non-compliant providers.
- **Strengthened Requirements:** Updating requirements for LHPs to improve monitoring, ensure legal compliance for accommodation and transport, protect workers from unfair pay deductions, and expand compliance options.
- **Support and Training:** Launching guidance documents, checklists, and e-learning modules to help suppliers understand and meet Woolworths' requirements for ethical labor practices.
- **Pilot Verification Program:** Partnering with The Fair Hiring Initiative to pilot "On The Level," a program to verify ethical practices in LHPs serving high-risk product categories.

Whilst there are undoubtedly many good operators, despite joint efforts, significant challenges persist within Australia's labour hire system. The system's fragmentation, lack of transparency and inherent vulnerabilities create risks for workers, particularly migrant workers. This can lead to exploitation, wage underpayments and unsafe working conditions.

We have had an MOU with the Retail Supply Chain Alliance (comprising the SDA, TWU and AWU) since 2022, and together we commissioned McKell Institute to conduct a thorough examination of the current labour hire landscape, following which they observed the need for a NHLS. There is an urgent need for harmonised national regulatory framework to ensure consistency and protection of workers' rights across all states and territories.

We note the Commonwealth Government has committed to creating a NLHS, and the Victorian Government has commenced laying the groundwork. We emphasise that meaningful success for workers and employers can only be achieved through a nationally consistent approach.

CONCLUSION

We believe that exploitation, and in its most egregious forms, modern slavery, can only be ended by working with others. We will continue to work collaboratively to drive change that addresses the root causes of worker exploitation.

Thank you for the opportunity to provide this submission for consideration.

Please contact Amelia Shaw, Manager, Government Relations and Industry Affairs - Regional by email at amelia.shaw@retailalliance.com.au if you have any questions about our submission.